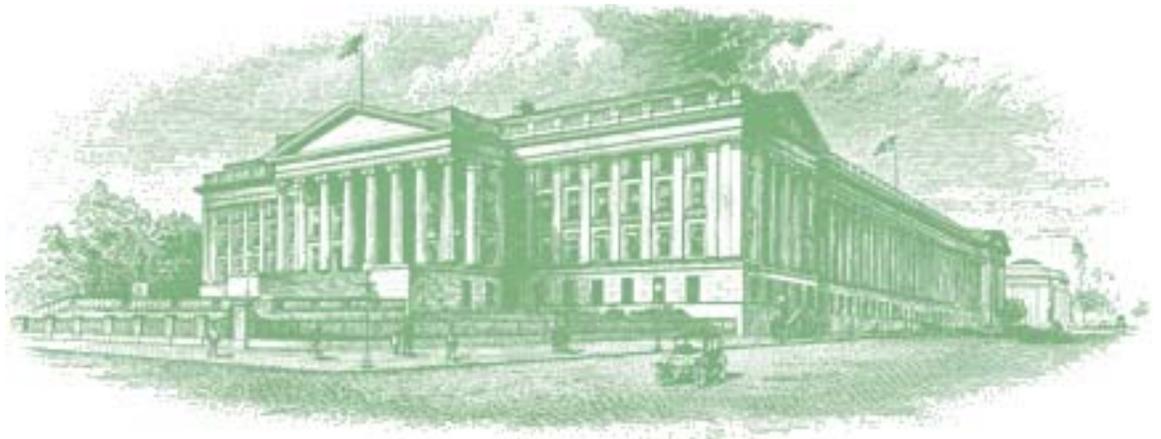




Report to the PCIE Audit Committee



OIG-CA-06-002

IGATI Curriculum Review Board Summary Report - IGATI
Courses Reviewed During Fiscal Year 2005

March 30, 2006

Office of Inspector General

Department of the Treasury

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Abbreviations

CPE	Continuing Professional Education
DoD	Department of Defense
DOI	Department of the Interior
Education	Department of Education
Energy	Department of Energy
EPA	Environmental Protection Agency
FAM	Financial Audit Manual
GSA	General Services Administration
FISCAM	Federal Information Systems Controls Audit Manual
HUD	Department of Housing and Urban Development
ICRB	IGATI Curriculum Review Board
IGATI	Inspectors General Auditor Training Institute
OIG	Office of Inspector General
PCIE	President’s Council on Integrity and Efficiency
SSA	Social Security Administration
Treasury	Department of the Treasury
USAID	U.S. Agency for International Development

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*The Department of the Treasury
Office of Inspector General*

March 30, 2006

The Honorable John P. Higgins, Jr.
Chairman, PCIE Audit Committee

We are pleased to provide the President's Council on Integrity and Efficiency (PCIE) Audit Committee this first summary report on the activities of the IGATI Curriculum Review Board (ICRB). During fiscal year 2005, ICRB completed reviews of seven courses offered by the Inspectors General Auditor Training Institute (IGATI)¹:

- Introduction to the Financial Audit Manual
- TeamMate Electronic Workpapers
- Introduction to the Federal Information Systems Controls Audit Manual (FISCAM)
- Essential Skills and Techniques for Evaluators and Inspectors
- The New Auditor-in-Charge
- Auditing the Federal Contracting Process
- Practical Applications of Statistical Sampling

In brief, we found that five of the courses provided valuable training and, with certain modifications, should continue to be offered. In two cases, however, we found that significant modifications to the courses are needed if they are to be fully useful to federal auditors.

ICRB Objective

The objective of ICRB's reviews of the courses offered by IGATI is to determine whether the courses provide useful training to federal

¹ Effective March 7, 2006, IGATI, the Inspector General Criminal Investigator Academy, and the Inspector General Management Institute consolidated to become the Inspector General Institute (IG Institute). The entity referred to as IGATI in this report is now known as IG Institute: School of Audit and Inspections.

auditors. ICRB plans to have completed an initial review of each course by the end of fiscal year 2007 and to conduct subsequent reviews of each course on a 3-year cycle.

Methodology

ICRB established four principal groups to review IGATI courses. Each group is responsible for a different subject-matter area, as shown in table 1.

Table 1: ICRB Review Subgroups – Fiscal Year 2005

Type of course	Lead reviewer	Support reviewer(s)
Information technology	Federal Housing Finance Board OIG	Education OIG
Communications	Naval Audit Service	HUD OIG
Performance audit	DoD OIG	<i>Subgroup 1: Treasury OIG, Energy OIG</i> <i>Subgroup 2: SSA OIG, EPA OIG</i> <i>Subgroup 3: GSA OIG, DOI OIG</i>
Financial statement audit	USAID OIG	DOI OIG

For each course, reviewers are to do the following:

- Obtain and review the course materials, including class exercises.
- Obtain and analyze student evaluations for all offerings of the course held during the previous 24 months.
- Obtain a list of students and contact information for each offering of the course conducted at least 6 months but no more than 18 months before the start of the review. To help gain an understanding of the usefulness of the course in the workplace, select from this list three or four former students to interview; conduct separate interviews with these students' supervisors.²
- Observe the course the next time IGATI offers it.
- Convene as a group to discuss the results of the above steps and come to a consensus on the strengths and weaknesses

² Originally, reviewers were to ask questions of the students and their supervisors in focus-group settings, but this proved impractical and individual interviews were used instead.

of the course and tentative recommendations to the IGATI director on any needed improvements. As part of the deliberations, consider whether IGATI ought to continue to offer the course.

- Prepare a draft report of tentative findings and recommendations, and provide the draft to and discuss it with the IGATI director, whose responses and planned actions should be incorporated in the final report.

Results of Reviews

ICRB reviewers' assessments of the seven courses yielded no strong trends with respect to weaknesses found or specific improvements needed. The type of recommendation that occurred most frequently (for six of the seven courses) involved course materials – that they be updated, supplemented, edited, or revised. The content of these materials-related recommendations, however, differed significantly from one another, ranging from recommendations for minor corrections to a call for a substantive overhaul.

Five Courses Should Be Continued

ICRB reviewers indicated that five of the seven courses reviewed provide useful training in their current form to federal auditors and should be continued with certain – and in most cases relatively minor – modifications. These five courses are Introduction to the Financial Audit Manual, TeamMate Electronic Workpapers, Introduction to the Federal Information Systems Controls Audit Manual (FISCAM), Essential Skills and Techniques for Evaluators and Inspectors, and The New Auditor-in-Charge.

Table 2 summarizes reviewers' recommendations and the IGATI director's responses to the recommendations for these courses.

Table 2: Courses Recommended for Continuation

Course/ Reviewer	Recommendations	IGATI response
Introduction to the Financial Audit Manual (FAM) (3 days, 24 CPE credits, \$620)/ USAID OIG	<ol style="list-style-type: none"> 1. Add instructor’s biography and point of contact information to course materials. 2. Add July 2004 Government Accountability Office/PCIE updates to FAM to course materials. 3. Change word “procedures” to “methodology” in tab 1, p. 4, slide 10, of course materials. 4. Ensure that students have opportunity to complete evaluation forms. 5. Consider adjusting length of course from 3 days to 1 day (for a FAM overview) or from 3 days to 5 days (for a more detailed introduction). 	<ol style="list-style-type: none"> 1. Agreed. 2. Agreed. 3. Agreed. 4. IGATI registrar indicated that students had in fact filled out evaluation forms. 5. IGATI believes that more time would not yield additional value and that students would not attend for 2 additional days.
TeamMate Electronic Workpapers (3 days, 24 CPE credits, \$700)/ DoD OIG, w/ Treasury OIG	<ol style="list-style-type: none"> 1. Continue to offer current TeamMate course. 2. Develop an advanced TeamMate course. 3. Develop exercises to demonstrate how to import a scanned document into TeamMate. 	<ol style="list-style-type: none"> 1. Agreed. 2. Agreed “in concept”; will investigate whether OIG community needs such a course. 3. Disagreed; IGATI believes current course provides sufficient demonstration and that new exercises would require prohibitively expensive purchase of 17 scanners.
Introduction to the FISCAM (3 days, 24 CPE credits, \$645)/ Education OIG	<ol style="list-style-type: none"> 1. Update course materials to include examples of FISCAM control testing procedures. 2. Request that instructor provide class exercises on FISCAM concepts and control testing. 3. Revise course materials to show how FISCAM control testing can be applied to Federal Information Security Management Act–related audits. 4. Add instructor’s bio and point of contact information to course materials. 	<ol style="list-style-type: none"> 1. Agreed. 2. Agreed. 3. Agreed. 4. Agreed.

Table 2: Courses Recommended for Continuation (continued)

Course/ Reviewer	Recommendations	IGATI response
Essential Skills and Techniques for Evaluators and Inspectors (4 days, 32 CPE credits, \$760)/ DoD OIG, w/ DOI OIG	<ol style="list-style-type: none"> 1. Revise course description to reflect that course is (a) at the basic level and (b) intended for new inspectors and evaluators and for auditors and investigators seeking an overview of inspections and evaluations (as opposed to seasoned inspectors and evaluators, for whom the course provided little benefit). 2. Include a copy of the IG Act in the course materials. 3. Dedicate a class session to PCIE Quality Standards for Inspections. 4. Dedicate a class to the distinction between audits and inspections and comparing and contrasting Yellow Book and Blue Book standards. 5. Ensure that anecdotes, references, and examples are from evaluations and inspections rather than from audits. 6. Include examples from real inspection projects (inspection plan, inspection report, briefing) in course materials. 7. Ensure that class time is well managed and that teaching points are developed thoroughly. 8. Ensure that all group and individual exercises are tied to course objectives. 9. Ensure that all participants complete and submit an evaluation form. 10. Start the course at 1 p.m. on Monday and end it at noon on Friday so that late arrivals and early departures caused by transportation arrangements do not disrupt class logistics. 	<ol style="list-style-type: none"> 1. Agreed. 2. Agreed. 3. Agreed. 4. Agreed. 5. Agreed. 6. Agreed. 7. Agreed. 8. Agreed. 9. Agreed (“already being accomplished”). 10. Will work with George Mason University (which has been issued a task order to review and revise the course as appropriate) to determine whether this change can be accommodated in the schedule.

Table 2: Courses Recommended for Continuation (continued)

Course/ Reviewer	Recommendations	IGATI response
The New Auditor-in-Charge (5 days, 40 CPE credits, \$840)/ Energy OIG, w/ Treasury OIG	<ol style="list-style-type: none"> 1. Update course materials to include all exercises and materials to be used during presentations and number pages to reduce student confusion. 2. Develop an instructor’s manual so that instructors for all sessions, including substitute instructors, are aware of what is to be covered. 3. Ensure that instructors who use films during class avoid repetition by highlighting only the key points of films during subsequent class discussions. 4. Reduce the amount of time spent on subjects covered in other training courses, such as report writing and fraud. 	<ol style="list-style-type: none"> 1. Agreed. 2. Agreed. 3. Agreed. 4. Partially agreed; IGATI will evaluate whether course should be revised to avoid duplication but noted that (a) many topics covered in this course are important to new AICs, who might not take stand-alone courses on these topics; and (b) the focus of the AIC course on a particular topic may differ from the focus of a stand-alone course on that topic.

Two Courses Require Substantial Revision

ICRB reviewers indicated that two of the seven courses reviewed – Auditing the Federal Contracting Process and Practical Application of Statistical Sampling – require substantial revision if they are to deliver the intended information to students in the federal audit community.

ICRB reviewers’ most significant concern about Auditing the Federal Contracting Process was the disjunction between the title of the course and the contents of the course. Although they found that the course would benefit auditors and evaluators, the reviewers also found that the course did not meet students’ expectations. Most of the students who attended the June 2005 session of the course had no prior knowledge of or experience in federal contracting but had many years of audit experience. As a

result, the course focused primarily on providing students with an understanding of the federal contracting process. Nonetheless, students who attended the October 2004 and June 2005 sessions of the course indicated that they had expected to be trained in auditing the contracting process because of the name of the course.

To address the mismatch between the title and content of the course, ICRB reviewers recommended that IGATI either (1) substantially revise the catalog description, objectives, content, and delivery of the course to focus primarily on auditing federal contracting or (2) rename the course to correspond with the current catalog description, objectives, content, and delivery, which focus on the contracting process rather than auditing the contracting process. The ICRB reviewers noted that renaming the course could necessitate extending the course beyond its current 2 days to allow adequate time for the instructor to present and students to obtain basic knowledge of the entire federal contracting process. In response to the reviewers' recommendation, the IGATI director agreed to revise the course to address the auditing aspects of the federal contracting process in time for the fiscal year 2007 course offering.

ICRB reviewers had significant concerns about both the content and the presentation of Practical Applications of Statistical Sampling, a course that they agreed should, if delivered effectively, provide useful information to federal auditors. In their examination of the course materials, the ICRB reviewers found that the binder for the course contained: (1) incorrect, incomplete, and inappropriate information; (2) too many complex formulas; (3) exercises that did not complement the stated goals of the course; and (4) charts and examples that appeared to confuse students. With respect to the presentation of the course, the reviewers found that the instructor: (1) lacked adequate knowledge of the course materials and of statistics; (2) provided incorrect and incomplete information to students; (3) relied on verbatim reading of course materials by students to provide instruction; and (4) devoted too much time to completion of simple exercises and too little time to substantive discussion of key topics, such as statistical sampling formulas, despite apparent confusion on the part of students.

To address the weaknesses they found in the content and presentation of Practical Applications of Statistical Sampling, ICRB reviewers recommended, among other things, that IGATI revise the course objectives to focus on practical applications of statistical sampling; revise the course materials to ensure that they are clear, accurate, defensible, and have an applied focus; revise the course presentation to ensure that it is accurate, clear, and consistent with course materials; and ensure that the instructor has sufficient professional and educational experience in statistics. The IGATI director agreed with the reviewers' recommendations.

Table 3 summarizes the full set of reviewer recommendations and IGATI responses for Auditing the Federal Contracting Process and Practical Applications of Statistical Sampling.

Table 3: Courses Requiring Substantial Revision

Course/ Reviewer	Recommendations	IGATI response
Auditing the Federal Contracting Process (2 days, 16 CPE credits, \$510)/ GSA OIG	<ol style="list-style-type: none"> 1. (a) Determine whether to revise the course description, objectives, content, material, and delivery to focus on the auditing aspect of the federal contracting process and whether to institute a prerequisite to such a course OR (b) determine the practicality and feasibility of renaming the course to correspond with the existing course description, objectives, content, material, and delivery, taking into account the need to increase the length of the course and whether such a course offering is appropriate. 2. Develop a cadre of instructors from the OIG community who are currently involved in audits of the federal contracting process. 3. Determine whether it is practicable to have someone other than the instructor collect evaluation forms at the end of the course. 4. Incorporate in the current course materials the suggested changes provided [editorial-type changes]. 	<ol style="list-style-type: none"> 1. Agreed; will revise course for fiscal year 2007 to focus on auditing aspect of the federal contracting process. 2. Agreed "in concept"; will attempt to obtain such instructors, but past efforts to do so have not been successful. 3. Agreed; will provide a drop-off box immediately. 4. Agreed; will make suggested changes.

Table 3: Courses Requiring Substantial Revision (Continued)

Course/ Reviewer	Recommendations	IGATI response
Practical Applications of Statistical Sampling (2 days, 16 CPE credits, \$645)/ SSA OIG, w/ DoD and EPA OIGs	<ol style="list-style-type: none"> 1. Revise course objectives to focus on practical applications of statistical sampling. 2. Revise course materials to ensure that they are accurate and defensible, clear and concise, and have an applied focus. 3. Revise course presentation to ensure that it contains only valid and generally accepted concepts and methods, is clear to its intended audience, and is consistent with and complementary to the course materials. 4. Include instructor’s biography in course materials. 5. Ensure that instructor has professional and educational experience in statistics. 6. Provide instructor with appropriate time to learn course materials. 	<ol style="list-style-type: none"> 1. Agreed. 2. Agreed. 3. Agreed; if course is continued in fiscal year 2007, it will be revised and materials reviewed to ensure that they contain only valid and generally accepted concepts and methods. 4. Agreed. 5. Agreed; given difficulty obtaining qualified instructors, will work to develop a more extensive list of potential instructors. 6. Agreed.

Conclusion and Looking Forward

The mission of ICRB is to help the PCIE Audit Committee achieve its goal of identifying and providing useful, relevant, and cost-effective training at IGATI for auditors working in federal offices of inspector general. We believe that the course reviews conducted by ICRB are key to the committee’s ability to meet that goal. The fiscal year 2005 reviews – the findings, recommendations, and improvements resulting from those recommendations – will benefit both the individual courses reviewed and the IGATI curriculum as a whole, which received its last comprehensive review in 2001.

We recommend that ICRB continue with fulfilling its objective of completing an initial review of each course by the end of fiscal year 2007 and conducting subsequent reviews of each course on a 3-year cycle. In this regard, ICRB met in January 2006 to finalize the schedule for courses to be reviewed during fiscal year 2006. In total, we have targeted 20 courses for review, but that may

change due to course cancellations and other events associated with IGATI's transition to the IG Institute. With the advent of the IG Institute, an important consideration for the PCIE Audit Committee going forward is whether ICRB should continue to report its results to the committee or should report instead to the IG Institute Board of Governors.

* * * * *

We would like to express our appreciation to the IGATI director and his staff for the cooperation and courtesies extended to the ICRB during the course reviews. If you have any questions, please call me on (202) 927-5400. Copies of this report will be provided to Ms. Helen Lew, Chair, Federal Audit Executive Committee, and Dr. Danny Athanasaw, Director, IGATI.

/s/
Marla A. Freedman
Chair, ICRB

Appendix
ICRB Review Schedule – Fiscal Year 2006

Table 4: ICRB Review Schedule – Fiscal Year 2006

Type of course	Course	Lead/support reviewer(s)
Information technology	IS Audit 1: Introduction to Information Systems Auditing	GSA OIG/Education OIG
	Introduction to Penetration Testing	
	How to Use IDEA 2004	Education OIG/GSA OIG
	Data Gathering and Analysis with IDEA 2004	
Communications	Essential of Report Writing	Naval Audit Service/HUD OIG (all four courses)
	Editing Reports	
	Enhanced Interview Skills	
	Writing to the Point	
Performance audit (overall lead for course type is DoD OIG)	The Peer Review Process	Energy OIG/Treasury OIG
	Risk and Measurement-Based Performance Audit Project Planning	Treasury OIG/GSA
	Fraud Auditing: Theory and Awareness	EPA OIG/SSA OIG
	Introductory Auditor Training	EPA OIG/SSA OIG
	The Audit Process: An Introduction for Non-Auditors	SSA OIG/EPA OIG
	Intermediate Auditing	GSA OIG/DOI OIG
	Audit Evidence and Documentation	DoD OIG/GSA OIG/DOI OIG
	Analytical Techniques and Tools for Improving Processes	DoD OIG/Commerce OIG

Appendix
ICRB Review Schedule – Fiscal Year 2006

Table 4: ICRB Review Schedule – Fiscal Year 2006 (continued)

Type of course	Course	Lead/support reviewer(s)
Financial auditing	Essential of Federal Financial Auditing	DOI OIG/USAID OIG
	Oversight of Federal Financial Audits	DOI OIG/USAID OIG
	SAS70 and Sarbanes-Oxley; compliance and PCAOB	USAID OIG/DOI OIG